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Maryland Community News

Published: Wednesday, March 20, 2013

Energy tax, proposed pay raises are excessive

In his Fiscal Year 2014 recommended budget, County Executive Isiah Leggett has recommended excessive pay raises throughout the next two years, ranging from 13.5 percent for non-public-safety county employees to 14.7 percent for most police officers to 19.5 percent for most firefighters. He has also proposed keeping the county's energy tax at its current very high level and raising property tax rates for the third year in a row, for a cumulative three-year increase of 11.6 percent.

Each of these proposals is unwise and should be changed by the County Council.

County employees provide critical services for our residents and deserve a reasonable pay raise after several years without one. However, the proposed raises are irresponsible because they are unsustainable, with a cumulative cost of \$73 million in the next two years alone. At a time when thousands of Montgomery County residents who are federal employees are facing furloughs of up to four weeks, and most private sector workers are seeing modest if any pay increases, the pay raises proposed by Mr. Leggett are jarring.

Mr. Leggett cites a recent court case involving Anne Arundel County as tying his hands on collective bargaining. However, the Court of Appeals' decision is particular to Anne Arundel and the specific language in its charter, and does not limit the discretion of the Montgomery County Council to modify or reject the decision of an arbitrator. Mr. Leggett says that the county's binding arbitration law needs reform. He's right. On Tuesday, I introduced legislation that would replace the arbitrator with a panel comprised of three neutral, well-qualified voting representatives of the public, and a county union and management official.

When Mr. Leggett sent over his proposal to double the county's energy tax in 2010 in response to the effect of the Great Recession, he wrote in his memorandum: "Recognizing the significant impact that this increase will have on County residents and businesses, I am recommending that the FY11 total increase in the Fuel Energy Tax sunset at the end of FY12."

The council raised the tax with a sunset clause after two years. Last year, the Council reduced the increase by 10 percent, although Mr. Leggett recommended keeping the entire increase.

The county's high energy tax comprises 10 percent of most residents' energy bill and drives up the cost of doing business in the county. The 2010 increase raised the energy tax by 155 percent on residents and by nearly 60 percent on businesses. The county needs to improve its ability to compete economically with other jurisdictions for good-paying jobs.

The council should reduce the proposed pay raises by 35 percent to make the raises reasonable and keep spending sustainable, and use the savings of \$11.4 million to reduce the 2010 energy tax increase by another 10 percent to make progress in keeping the county's promise to the community.

Phil Andrews

Montgomery County Council